

SENATE BILL REPORT

HB 1867

As of March 5, 2011

Title: An act relating to clarifying that prepaid wireless services are not intended to be considered as gift cards or gift certificates.

Brief Description: Clarifying that prepaid wireless services are not intended to be considered as gift cards or gift certificates.

Sponsors: Representatives Kelley, Rivers, Kirby and Stanford.

Brief History: Passed House: 3/01/11, 94-3.

Committee Activity: Financial Institutions, Housing & Insurance: 3/09/11.

SENATE COMMITTEE ON FINANCIAL INSTITUTIONS, HOUSING & INSURANCE

Staff: Edward Redmond (786-7471)

Background: The Uniform Unclaimed Property Act governs the disposition of intangible property that is unclaimed by its owner. A business that holds unclaimed intangible property must transfer it to the Department of Revenue after a set statutory holding period, which may vary by the type of property, but is generally set at three years.

In 2004 the Legislature exempted gift certificates, including gift cards, from the Uniform Unclaimed Property Act subject to the holders or issuers of the certificates meeting certain requirements. A gift certificate is defined as an instrument evidencing a promise by the seller or issuer to provide goods or services to the bearer of the instrument for the value or credit shown in the record. Gift cards are defined to include cards with stored value that may be exchanged for consumer goods and services. Under certain limited conditions, a gift certificate may include an expiration date or fee charge.

Summary of Bill: The definitions of gift cards and gift certificates are revised. Prepaid telephone calling cards and prepaid commercial mobile radio services are not to be classified as gift cards or gift certificates. Additionally, the definition of stored value is clarified to mean a value or credit primarily intended to be redeemed for a limited universe of goods, intangibles, services, or other items provided by the issuer or its affiliates.

Appropriation: None.

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

Fiscal Note: Not requested.

Committee/Commission/Task Force Created: No.

Effective Date: Ninety days after adjournment of session in which bill is passed.